

Robert T. Quasius

Marshall, MN 56258

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COMMISSION
OFFICE OF GENERAL
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2007 MAR 12 A 10:54

MUR # 5906

March 5, 2007

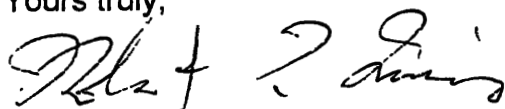
Office of General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Subject: Complaint

Enclosed is a formal complaint against The Schwan Food Company Inc. Political Action Committee for violation of campaign finance laws.

Feel free to contact me (above) if you need further information.

Yours truly,



Robert T. Quasius

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COMPLAINT

The Schwan Food Company Inc. Political Action Committee (Schwans PAC) is a 501(c)(3) organization under campaign finance laws. Upon review of Schwans PAC Federal Election Commission disclosures for 2000 through 2006, Schwans PAC failed to report in-kind contributions from The Schwan Food Company Inc. (Schwans).

The committee operates from the headquarters of Schwans in Marshall, MN. The committee's FEC disclosures do not report the value of rent, utilities, telephone, web site usage, e-mail, commercial and corporate aircraft usage provided by Schwans as in-kind contributions. These in-kind contributions also violate federal campaign finance laws.

Schwans received a "Grand Pioneer Award" in 2003 (Exhibit A), citing its extensive grass roots efforts with employees and use of Schwan's intranet. Also mentioned are meetings in Salina, Kansas, Houston, Texas, and Florence, Kentucky. Schwans executives often travel to meetings in these locations via corporate aircraft. Schwans often provides transportation to VIPs including PAC guest speakers via corporate aircraft. These in-kind contributions were also not reported.

Schwans PAC hosts events for its members several times a year at the Landmark Bistro restaurant owned by Schwans. PAC members are charged up to \$50 admission to attend these events at the Landmark Bistro, which includes a meal. Schwans PAC has also hosted picnics, free of charge for PAC members and families. There is no accounting of the cost or receipts for any of these events. In fact, there are no operational costs reported for Schwans PAC in any of their disclosures.

Gordon Crow of Schwans PAC stated to me in 2005 that same issue arose between Schwans PAC and the State of Minnesota Campaign and Disclosure Board, and as a result Schwans PAC is no longer authorized as a Minnesota political committee. Despite explicit knowledge that in-kind contributions must be reported, Schwans PAC continues to file FEC reports that include no report in-kind contributions from Schwans.

Also, in reviewing the receipts for contributions in excess of \$200, the employer for all of the contributors are reported as The Schwan Food Company Inc. However, only officers of Schwans are employees of The Schwan Food Company. The other contributors are all employees of numerous subsidiaries or their spouse and are not reported correctly.

Exhibit B lists officers of Schwans. Anyone not listed in exhibit B is an employee of a subsidiary company, and it is incorrect to report them as Schwans employees.

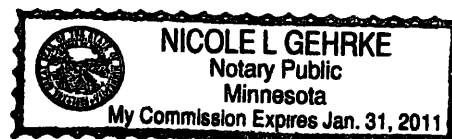


Robert T. Quasius

Signed and sworn before me

Nicole L Gehrke 3-5-07

Notary of the State of Minnesota



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OFFICE OF GENERAL
COUNSEL

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Exhibit A - The Schwan Food Company PAC



IDFA Honors The Schwan Food Company with GRAND Pioneer Award

At last week's Dairy Forum, IDFA presented its second annual GRAND Pioneer Award to The Schwan Food Company, Marshall, Minn., for its outstanding efforts in implementing a company grassroots program. Gordon Crow, director of government and community affairs, The Schwan Food Company, accepted the award on the company's behalf from IDFA Executive Vice President Connie Tipton during a January 20th reception. IDFA created this award two years ago as part of its Grassroots Action Network for Dairy (GRAND), a program that encourages member companies and employees to communicate with elected officials on legislative policy.

"It's an honor to recognize Schwan's exceptional efforts in grassroots development and employee involvement," said Tipton. "This proves that our industry can get its voice heard in our national legislative process."

The Schwan Food Company has built an extensive government affairs program that includes employee education and mobilization on issues important to the company. This program was particularly active during the 2002 state and federal election cycle. The program's centerpiece is its corporate intranet website *Cygnat*, which provides a portal to the grassroots program, *Schwan's Government Connection*. This online feature enables employees to easily research candidates and get calls to action on hot policy issues. *Schwan's Government Connection* website received more than 10,000 hits leading up to the 2002 elections. The company also emphasized employee interaction with elected officials. Prior to Election Day, Schwan's arranged company visits for the candidates for governor, lieutenant governor, attorney general, secretary of state, U.S. Senate and the U.S. House of Representatives. In each case, candidates toured the facilities and addressed the employees. The company also hosted an Election Night party for employees and local dignitaries.

"This is a great example of keeping the legislative process fun and keeping employees engaged," noted Tipton. "Schwan employees were particularly pleased with these voter education efforts."

"Being selected as the 2003 recipient of the GRAND Pioneer Award was certainly a highlight of the grassroots efforts at The Schwan Food Company," said Howard Miller, vice president of corporate relations, The Schwan Food Company. "The credit for the award, however, belongs to our employees across the country who responded to our programs, researched the candidates, educated themselves on the

issues, then went to the polls and voted."

In addition, the company has hosted political action committee (PAC) networking events and hosted visits from federal legislators in other states where the company has manufacturing operations, including Kansas, Kentucky and Texas. Schwan representatives were also active on Capitol Hill, where they successfully lobbied for Trade Promotion Authority (TPA), which passed the House by just one vote. Schwan's varied activities have positioned the company as a key player in local, state and national politics. The Schwan Food Company placed first among the three finalists in the GRAND award competition, which was judged by a panel of industry executives, grassroots experts and IDFA staff. Wells' Dairy, LeMars, Iowa, and Horizon Organic Dairy, Longmont, Colo., were also recognized for their successful development of grassroots programs. Wells' Dairy earned second place with its advancements in an already strong program, which is comprised of three tools: the company intranet, a weekly newsletter, and a bi-monthly magazine that is mailed to employees' homes. During the 2002 elections, Wells' Dairy also mobilized a comprehensive voter registration and voter education effort. Horizon Organic was awarded third place in the competition for its recently created *Horizon Organic Agriculture Program*, which educates employees and producer partners on a variety of issues. Horizon provides both weekly and monthly communications to its employees and encourages them to participate in dedicated "Legislative Days" in both Washington, D.C., and in local areas.

IDFA will call for nominations this fall for the 2004 GRAND Pioneer Award. For more information, contact Meaghan Killion at mkillion@idfa.org, 202/220-3534.

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Posted January 27, 2003

1250 H Street, NW, Suite 802, Washington, DC 20005
P: 202.737.4232 F: 202.331.7820

Exhibit B
Officers of The Schwan Food Company

Source: www.theschwanfoodcompany.com

M. Lenny Pippin

Vice Chairman, President & Chief Executive Officer

John Beadle

Senior Executive Vice President & Chief Operating Officer

Tracy Burr

Senior Executive Vice President & Chief Financial Officer

David Bunnell

Senior Executive Vice President & President of Schwan's Venture Group, Inc.

Bernadette Kruk

Senior Vice President Human Resources

Brian Sattler

Senior Vice President & General Counsel

Calvin Brink

President, Schwan's Global Food Service, Inc.

William McCormack

Executive Vice President Administration &
President of Schwan's Development Corporation

Lawrence Oberkfell

President, Schwan's Global Home Service, Inc.

Douglas Olsem

President, Schwan's Global Supply Chain, Inc.

Kristy Griffin

Senior Vice President of Product and Market Strategy

Gregory Flack

President, Schwan's Global Consumer Brands

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